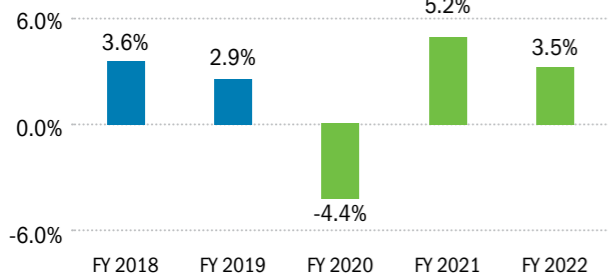


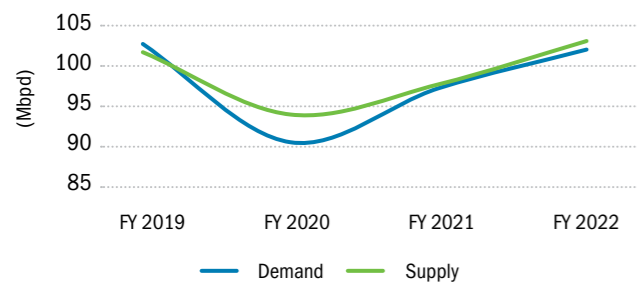
INTEGRATED STRATEGY

Trends

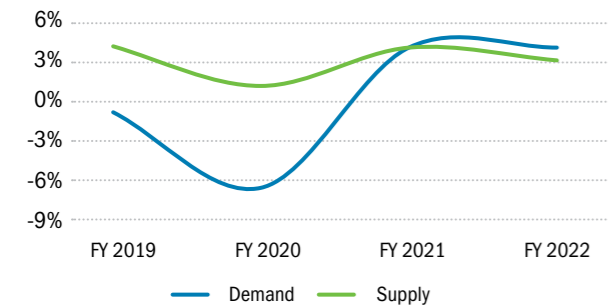
Global economic growth¹



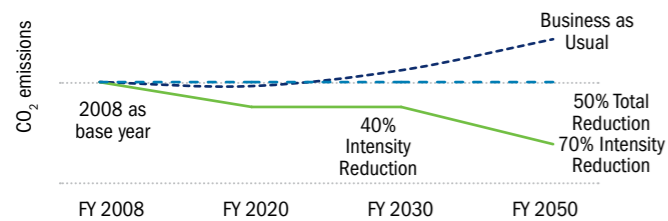
Global oil market balance²



Tanker market balance³



IMO GHG reduction ambition⁴



Technology⁵

CH₄ H₂ NH₃
New Fuel Options

Smart Ships

Artificial Intelligence

Digitisation of Shipping Ecosystem

Risks

- Uneven recovery may worsen geopolitical tension
- New virus variants slowing down the recovery
- High public debt levels hinder medium-term growth

- Irregular outbreaks due to new virus variants could impede demand recovery
- Extended oil market imbalance could lead to higher volatility and business cycle disruption for the tanker market

- Tonnage oversupply may linger, limiting freight rate upside
- Geopolitical tension and regional security issues remain high and could alter trade patterns and supply of vessels

- Stricter environmental regulation increases complexity and cost of compliance, especially if regional markets adopt different approaches
- Emission reduction targets may not be sufficient to meet the Paris Agreement goals

- Increasing reliance on digital technology renders the shipping industry more vulnerable to cyber incidents
- Although LNG is the most viable low-carbon fuel today, zero-emissions technology is still under development and uncertain

Opportunities

- Momentum and extended policy support could bring higher growth
- Increased investment levels could be sustained on the back of strong policy support

- Timing mismatch of production increase could prompt floating storage demand
- Changing oil supply and refining landscape could boost tonne-mile demand for certain tanker sectors

- Rising steel prices could spur demolition of older vessels and tighten the market balance
- Modest fleet growth on the back of low orderbook boosts the medium-term market outlook

- Demand for lower emissions logistic services could pave way to a two-tiered market, giving advantage to first movers
- Environmental ambitions in the finance and investment sector opens opportunity for green financing

- Leverage on technological innovation for greater operational efficiencies and competitive advantage

GROWTH AREAS FOR AET

Eco-friendly / dual-fuel vessels

Lightering: optimise fleet in the US Gulf and expand our lightering footprint in other locations

DPST time charter contracts with quality customers in Brazil and North Sea

Joint venture/ strategic partnership with key energy majors/ charterers

More opportunities in VLCC and Suezmax segments due to changes in trade routes, especially long-haul routes

MITIGATION

Pre-empt and adapt with strategic fleet deployment

Balanced asset portfolio and healthy mix of contracts

Preference for hedging and forward purchasing

Discipline in executing fleet rejuvenation plan

Committed to developing "partnership" relationships

Dedicated HSSE division with robust procedures and systems

Adopted a robust Cyber Security Management System

Continuous review and testing of recovery procedures

OUR STRATEGY

- Mobilise and leverage emerging opportunities in eco-solution vessels as part of AET's Sustainability Agenda

- VLCC fleet rejuvenation with eco-solution assets and sustainable profitability in the sector

- Develop niche solutions and strengthen mid-size tankers long-term profitability by:
 - Pursuing optimal mid-size tanker fleet and business portfolio to improve stability of income;
 - Developing more long-term time charter out business, and profitable Contracts Of Affreightment (COA) in other regions (outside the US Gulf);
 - Remaining as provider of choice in the US Gulf lightering/ reverse lightering service for core customers and grow in other ship-to-ship lightering markets; and
 - Expand lightering services in other geographies

- Place more vessels on fixed rate long-term charters and focus on winning more secured income projects such as DPST contracts

- Continue to explore new technologies to ensure AET is future-ready

Sources:
 1 World Economic Outlook, April 2021: Managing Divergent Recoveries. (2021). IMF. <https://www.imf.org/en/Publications/WEO/>
 2 Global Crude Oil Markets Short-Term Outlook. (2021, February). IHS. <https://ihsmarket.com/index.html>

3 Oil & Tanker Trades Outlook. (2021, January) Clarksons. <https://clarksons.com/>
 4 Reducing greenhouse gas emissions from ships. IMO. <https://www.imo.org/en/MediaCentre/HotTopics/Pages/Reducing-greenhouse-gas-emissions-from-ships.aspx>
 5 Technology Trends. (2020). Seatrade Maritime. <https://www.seatrade-maritime.com/>